

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – May 16, 2011

Attendance:

Member	Present	Member	Present
J. Bullock	Yes	R. Larson	No
L. Davis Burnham	Yes	A. Levin	No
R. Byrd	Yes	K. Lewis	Yes
J. Casey	Yes	D. Link	No
N. Cook	No	A. Lubin	Yes
T. Cook	Yes	J. Martin	Yes
R. Cordrey	Yes	C. Morgan	Yes
R. Davis	Yes	W. Oberle	No
R. Derrickson	Yes	J. Polidori	No
J. DiPinto	No	E. Ratledge	Yes
F. Dixon	Yes	T. Shopa	Yes
B. Fasy	No	G. Simpson	Yes
C. Flowers	No	A. Staton	Yes
R. Gilligan	No	D. Swayze	Yes
R. Glen	Yes	A. Visalli	No
G. Hindes	Yes	C. Wicks	No
J. Hortsy	Yes	D. Williams	No
D. Hudson	Yes		

Members in Attendance: 22

Members Absent: 13

Others Present: N. Adams, E. Benner, K. Callahan, P. Carter, M. Casey, Z. Chaudhry, J. Craig, C. Erickson, R. Geisenberger, D. Gregor, C. Heiks, C. Kempista, K. Knight, S. Kubico, S. McVay, B. Motyl, B. Sciglietti and members of the press.

Opening Business: Mr. Martin called the meeting to order at 3:00 p.m.

Mr. Martin thanked Mr. Cook for providing lunch for the members who attended the Sub-committee meetings prior to the full Council meeting.

The minutes from the April meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Ratledge presented the Expenditure Subcommittee's report.

Mr. Ratledge reviewed the Functional method. He noted that the Fringe Benefit category has been broken down between Health Care and Other. The Health Care amount has increased from \$218.9 million in FY2010 to an FY2011 estimate of \$256.0 million. Mr. Ratledge stated that this is an area that will be more closely tracked going forward. Mr. Ratledge also mentioned that Medicaid expenditures had grown from \$428.9 million in FY2010 to an FY2011 estimate of \$539.3 million. The increase is largely attributed to the decrease in federal support from the ARRA funding. (See Table 1b for complete details.)

Mr. Ratledge reviewed the Balance Sheet estimate. The Reversion estimate remains at \$40.0 million; Encumbered remains at \$36.0 million and Continuing is increased from \$168.4 million to \$171.3 million (See Table 1a for complete details).

Mr. Ratledge noted that the 9.5% increase in FY2011 expenditures was largely driven by increases in Salaries and Medicaid costs.

Mr. Ratledge noted that Expenditures as a percentage of Spending Authority is 93.2%, one of the larger numbers seen in recent years.

Mr. Morgan asked how many state workers are there this year compared to last year. Mr. Ratledge responded the number is roughly the same between the two years.

A motion was made, seconded and approved to accept \$3,369.0 million as the expenditure estimate for FY2011. This represents a decrease of \$2.9 million from April's estimate.

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Craig reviewed the Global Insight May forecast. For FY2011, there has been little change since April. The real GDP growth rate has been decreased from 2.8% to 2.7%. FY2012 Real GDP growth decreased from 3.1% to 3.0%. This slight decrease was largely attributed to the lower growth reported for the first Quarter of CY2011.

Mr. Dixon repeated a cautionary comment that when the accommodating Federal monetary and fiscal action ceases, the real test of the economy's strength will occur. He noted that his forecast for GDP growth is about 0.5% below the consensus outlook. He added that this was not a large enough difference to have a material impact on the revenue forecast.

Mr. Harty inquired about the type of jobs that are being created during this recovery. Mr. Dixon responded that one the more unprecedeted things in the current employment expansion is the positive growth in manufacturing jobs. Mr. Ratledge noted that higher skilled jobs are in greater demand in this recovery.

General Fund Revenues - Fiscal Year 2011:

The Revenue Subcommittee recommended the following updates to April's estimates:

FY 2011

Revenue Category	Apr-11	May-11	Change
Personal Income Tax	1,154.0	1,174.0	20.0
Abandoned Property	424.0	434.0	10.0
Franchise Tax	622.5	614.5	(8.0)
Insurance Taxes	65.6	70.3	4.7
Gross Receipts Tax	197.0	199.5	2.5
Limited Partnerships & LLC's	156.5	154.3	(2.2)
Other Refunds	(58.2)	(59.9)	(1.7)
Cigarette Taxes	129.5	128.0	(1.5)
Corporate Fees	83.0	81.5	(1.5)
Public Utility Tax	57.5	58.5	1.0
Hospital Board and Treatment	69.7	70.0	0.3

For a complete listing of FY 2011 estimates, see Table 2.

Discussion of FY 2011 Estimates:

Personal Income Tax: Mr. Lewis stated that, while there was continued strength in Withholding payments, the majority of the increases were attributed to Estimated payments and Final settlements. He said the strong stock market, bonus payments and stock options factored into this increase.

Corporate Franchise Tax: Mr. Lewis attributed the decrease to weaker tracking.

Gross Receipts Tax: Mr. Lewis attributed the increase to continued strong tracking. He noted that it reflects well on the economy when such a broad based tax is demonstrating improved strength.

Abandoned Property: Mr. Lewis stated that the \$70 million "doughnut hole" which is transferred to special funds is expected to be fully funded and any additional revenue goes to the General Fund.

Other changes were attributed to tracking.

FY2011 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,524.7 million as the revenue estimate for FY2011.

The estimate represents an increase of \$23.5 million from DEFAC's April estimate.

General Fund Revenues - Fiscal Year 2012:

Mr. Lewis reported that the Subcommittee recommended the following updates to April's estimates:

FY 2012

Revenue Category	Apr-11	May-11	Change
Personal Income Tax	1,231.6	1,253.9	22.3
Lottery	265.8	275.8	10.0
Franchise Tax	634.9	626.8	(8.1)
Insurance Taxes	69.0	70.3	1.3
Gross Receipts Tax	216.7	219.5	2.8
Limited Partnerships & LLC's	162.8	160.5	(2.3)
Corporate Fees	87.2	85.6	(1.6)
Cigarette Taxes	128.2	126.7	(1.5)
Public Utility Tax	59.5	60.5	1.0
Hospital Board and Treatment	68.8	69.1	0.3
Other Revenues	116.6	116.5	(0.1)

For a complete listing of FY 2012 estimates, see Table 2.

Discussion of FY2012 Estimates:

Personal Income Tax: Mr. Lewis stated that since there had been little change in the economic outlook, previous growth rates were maintained.

Lottery: Mr. Lewis said that the increase was based on the news that the opening of the Arundel Mills casino in Maryland has been delayed until FY2013.

Abandoned Property: Mr. Lewis stated that the baseline estimate of \$500.0 million remains unchanged. The FY2012 estimate reflects \$24.0 million that will be transferred to the Transportation Trust Fund.

Insurance Tax: Mr. Lewis said that much uncertainty in this category lead to reducing the growth rate to 0.0%.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY2011 and maintaining previous growth rates.

FY 2012 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,651.7 million as the revenue estimate for FY2012.

The estimate represents an increase of \$24.1 million from the April estimate.

Mr. Lewis stated that the FY2013 estimate is \$3,761.2 million and represents growth of 3.0%.

Balance and Appropriations Worksheet: Mr. Gregor presented the balance and appropriations worksheet. The result of this exercise is attached as Table 3.

Transportation Trust Fund (TTF)

TTF -- Expenditures: Mr. Motyl presented the Transportation Trust Fund's expenditure forecast.

There were no changes made from the April estimate.

A motion was made, seconded, and approved to accept \$745.6 million as the FY2011 TTF expenditure estimate. The estimate represents no change from the April estimate. (See Table 4.)

Mr. Motyl stated that a special report was presented to the Sub-committee which outlined the creation and evolution of the Transportation Trust Fund.

Mr. Motyl noted that in 1992 the level of operating Expenditures were 57% of Revenues. This level rose to 65.0% in 2002 and to 76.0% in the current year. From this, Mr. Motyl concluded that revenues have been growing more slowly than expenditures and that amount available for Capital expenditures is being squeezed. He said that this report will be updated and presented at each ensuing DEFAC meeting. (See Attachment 1.)

Ms. Davis Burnham raised the issue of outstanding debt to debt payments. Mr. Motyl stated that in the current year the TTF debt payments exceed the amount that will be borrowed in the current year.

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast.

FY2011 Estimates:

There were no changes made from the April estimate.

A motion was made, seconded, and approved to accept \$428.9 million as the FY2011 revenue estimate. The estimate represents no change from the April estimate.

FY2012 Estimates:

There were no changes made from the April estimate.

A motion was made, seconded, and approved to accept \$439.8 million as the FY2012 revenue estimate. The estimate represents no change from the April estimate. (See Table 5)

Other Business:

Mr. Martin announced the next scheduled DEFAC meeting dates:

- June 16, 2011 (Thursday)
- September 19, 2011

Mr. Martin announced that going forward, the Subcommittees would continue to meet on the same day as the General meeting.

On Thursday June 16th at Buena Vista the Expenditure Subcommittee will meet at 12:00 p.m. The Revenue Subcommittee will meet at 1:00 p.m. and the General meeting will be at 3:00 p.m.

There being no further business, Mr. Martin adjourned the meeting at 3:45 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2011 (\$ in millions)
May, 2011 (as of 4/30/11)

	FY2004 <u>Actual</u>	FY2005 <u>Actual</u>	FY2006 <u>Actual</u>	FY2007 <u>Actual</u>	FY2008 <u>Actual</u>	FY2009 <u>Actual</u>	FY2010 <u>Actual</u>	FY2011 <u>Appropriation</u>
Budget Act	2,445.1	2,600.4	2,836.0	3,101.9	3,285.6	3,362.9	3,091.5	3,305.3
Cash to Bond Bill	142.0	235.0	281.6	243.3	77.9	83.4	0.0	91.0
Grant-in-Aid	38.4	40.0	42.4	50.0	47.7	45.2	35.4	35.2
Continuing & Encumbered (from prior years)	173.3	240.1	327.8	342.5	335.8	234.8	183.7	184.9
Supplements	24.9	50.0	48.0	0.0	0.0	0.0	0.0	0.0
	3,823.7	3,165.5	3,535.8	3,737.7	3,747.0	3,726.3	3,310.6	3,616.3
LESS:								
Reversions to the General Fund	29.8	15.4	12.8	12.0	90.6	247.0	49.3	10.0
Encumbered to next fiscal year	29.1	32.8	32.2	36.4	33.0	36.3	37.7	36.0
Continuing to next fiscal year								
Operating Budget								
Bond Bill								
Total Continuing	Subtotal	211.0	295.0	310.3	299.4	201.8	147.4	147.2
		269.9	343.2	355.3	347.8	325.4	430.7	234.1
Fiscal Year Budgetary Expenditures	2,553.8	2,822.3	3,180.5	3,389.9	3,421.6	3,295.5	3,076.5	
% increase/(decrease)	10.51%	12.69%	6.58%	0.94%	0.94%	-3.69%	-6.65%	
Comments:	EY2004	EY2005	EY2006	EY2007	EY2008	EY2009	EY2010	EY2011
Expenditures / Spending Authority	90.4%	89.2%	90.0%	90.7%	91.3%	88.4%	92.9%	90.4%
Reversions / Spending Authority	1.1%	0.5%	0.4%	0.3%	2.4%	6.6%	1.5%	1.8%
Encumbered / Spending Authority	1.0%	1.0%	0.9%	1.0%	0.9%	1.0%	1.1%	1.0%
Total Continuing / Spending Authority	7.5%	9.3%	8.8%	8.0%	5.4%	4.0%	4.4%	6.8%

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2011 (\$ in millions)
May 2011 (as of 4/30/11)

												FY2011 YTD (actual 4/30/11)	% spent FY2011 YTD 83.3%	% of FY2011 total 36.8%	% of FY2010 total 37.5%	
												1,032.4				
												10 vs. '11	Difference 1,238.9 84.2			
	FY2005 <u>Actual</u>	FY2006 <u>Actual</u>	FY2007 <u>Actual</u>	FY2008 <u>Actual</u>	FY2009 <u>Actual</u>	FY2010 <u>Actual</u>	FY2011 <u>Forecast</u>	FY2011 <u>Forecast</u>	Mar Forecast	Apr Forecast	May Forecast	FY2011 Forecast	FY2011 Difference 10 vs. '11			
Salaries	1,023.1	1,103.3	1,167.3	1,222.9	1,225.5	1,154.7	1,220.9	1,193.3	1,240.0	1,240.0	1,238.9	84.2				
Fringe Benefits																
Health Care																
Other																
Pension	147.1	180.7	201.5	218.6	211.1	196.7	220.1	223.4	225.7	223.8	27.1	194.1	86.7%	6.6%	6.4%	
Debt Service	153.5	132.5	131.2	151.1	156.4	174.3	174.6	172.0	172.0	172.0	(2.3)	155.4	90.3%	5.1%	5.7%	
Grants	294.1	403.1	365.1	259.1	265.8	276.6	424.0	340.5	326.0	322.2	320.1	43.5	281.8	88.0%	9.5%	9.0%
Medicaid	339.1	381.4	441.6	494.2	419.4	428.6	487.0	539.6	538.4	539.3	539.3	110.7	432.7	80.2%	16.0%	13.9%
Public Assistance Programs	83.6	91.7	94.1	97.2	85.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Professional Services	161.3	181.0	216.8	210.6	204.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Contractual Services	228.9	252.2	289.5	286.7	286.8	435.7	360.1	379.4	409.6	417.7	420.9	(14.9)	355.1	84.4%	12.5%	14.2%
Supplies & Materials	66.5	73.6	72.1	66.6	58.9	54.5	50.9	57.9	57.5	58.7	(0.3)	48.9	83.4%	1.7%	1.9%	
Capital Outlay	61.9	77.6	87.2	66.5	41.5	20.1	28.0	26.9	27.2	26.1	26.0	5.9	21.9	84.4%	0.8%	0.7%
FY Budgetary Expenditures	2,822.3	3,180.5	3,389.9	3,421.7	3,295.5	3,076.5	3,316.3	3,299.7	3,371.3	3,369.0	295.4	2,830.3	84.0%	100.0%	100.0%	

Comments:

DEFAC General Fund Revenue Worksheet

May-11 DEFAC Meeting		FY 2010			FY 2011			FY 2012			
Revenue Category	A Actual Collections	B DEFAC Apr-11	C % B over A	D DEFAC May-11	E % D over A	F \$ Increase D over B	G DEFAC Apr-11	H % G over B	I DEFAC May-11	J % I over D	K \$ Increase I over G
Personal Income Tax Less: Refunds PIT Less Refunds	1,061.5 (208.4)	1,154.0 (181.5)	8.7% -12.9%	1,174.0 [181.5]	10.6% -12.9%	20.0 0.0	1,231.6 [182.8]	6.7% 0.7%	1,253.9 [182.8]	6.8% 0.7%	22.3 0.0
Franchise Tax Limited Partnerships & LLC's Subtotal Franchise + LP/LLC Less: Refunds Net Franchise + LP/LLC	633.1 145.0 778.1 (13.0) 765.1	622.5 <u>156.5</u> 779.0 (12.0) 767.0	-1.7% 7.9% 0.1% -7.7% 0.3%	614.5 <u>154.3</u> 768.8 <u>(12.0)</u> 756.8	-2.9% 6.4% -1.2% -7.7% -1.1%	(8.0) (2.2) (10.2) 0.0 (10.2)	634.9 <u>162.8</u> 797.7 <u>(12.0)</u> 785.7	2.0% 4.0% 2.4% 0.0% 2.4%	626.8 <u>160.5</u> 787.3 <u>(12.0)</u> 775.3	2.0% 4.0% 2.4% 0.0% 2.4%	(8.1) (2.3) (10.4) 0.0 (10.4)
Business Entity Fees Uniform Commercial Code	74.9 14.1	83.0 16.2	10.9% 14.6%	81.5 16.2	8.9% 14.6%	(1.5) 0.0	87.2 16.7	5.1% 3.1%	85.6 16.7	5.0% 3.1%	(1.6) 0.0
Corporation Income Tax Less: Refunds CIT Less Refunds	125.6 (37.7) 87.9	230.0 (55.0) 175.0	83.2% 45.9% 99.2%	230.0 [55.0] 175.0	83.2% 45.9% 99.2%	0.0 0.0 0.0	180.9 [36.8] 144.1	-21.3% -33.1% -17.7%	180.9 [36.8] 144.1	-21.3% -33.1% -17.7%	0.0 0.0 0.0
Bank Franchise Tax Gross Receipts Tax Lottery	54.0 194.6 275.5	119.7 197.0 285.0	121.6% 1.2% 3.4%	119.7 199.5 285.0	121.6% 2.5% 3.4%	0.0 2.5 0.0	114.2 216.7 265.8	-4.6% 10.0% -6.7%	114.2 219.5 275.8	-4.6% 10.0% -3.2%	0.0 2.8 10.0
Abandoned Property Hospital Board and Treatment Dividends and Interest	493.2 74.7 10.9	424.0 69.7 8.5	-14.0% -6.6% -22.0%	434.0 70.0 8.5	-12.0% -6.2% -22.0%	10.0 0.3 0.0	475.0 68.8 11.1	12.0% -1.3% 30.6%	475.0 69.1 11.1	9.4% -1.3% 30.6%	0.0 0.3 0.0
Realty Transfer Tax Estate Tax Insurance Taxes	46.9 0.3 51.8	45.0 15.0 65.6	-4.0% 5002.0% 26.6%	45.0 15.0 70.3	-4.0% 5002.0% 35.6%	0.0 0.0 4.7	32.2 20.0 69.0	-28.4% 33.3% 5.2%	32.2 20.0 70.3	-28.4% 33.3% 0.0%	0.0 0.0 1.3
Public Utility Tax Cigarette Taxes Other Revenues	56.7 132.3 86.5	57.5 129.5 129.2	1.4% -2.1% 49.4%	58.5 128.0 129.1	3.2% -3.2% 49.3%	1.0 (1.5) (0.1)	59.5 128.2 116.6	3.5% -1.0% -9.8%	60.5 126.7 116.5	3.4% -1.0% -9.8%	1.0 (1.5) (0.1)
Less: Other Refunds Net Receipts	(37.3) 3,235.1	(58.2) 3,501.2	56.2% 8.2%	[59.9] 3,524.7	60.7% 9.0%	(1.7) 23.5	[32.0] 3,627.6	-45.0% 3.6%	[32.0] 3,651.7	-46.6% 3.6%	0.0 24.1
											\$182.6

FY 2012 Debt Limit:

DEFAC General Fund Revenue Worksheet

May-11 DEFAC Meeting					FY 2013		P \$ Increase N over L
	L	M % L over G	N	O % N over I	DEFAC May-11	DEFAC May-11	
Revenue Category	DEFAC Apr-11						
Personal Income Tax	1,298.4	5.4%	1,321.9	5.4%	23.5		
Less: Refunds	(192.0)	5.0%	(192.0)	5.0%	0.0		
PIT Less Refunds	1,106.4	5.5%	1,129.9	5.5%	23.5		
Franchise Tax	647.6	2.0%	639.3	2.0%	(8.3)		
Limited Partnerships & LLC's	169.3	4.0%	166.9	4.0%	(2.4)		
Subtotal Franchise + LP/LLC	816.9	2.4%	806.2	2.4%	(10.7)		
Less: Refunds	(12.0)	0.0%	(12.0)	0.0%	0.0		
Net Franchise + LP/LLC	804.9	2.4%	794.2	2.4%	(10.7)		
Business Entity Fees	91.5	4.9%	89.9	5.0%	(1.6)		
Uniform Commercial Code	17.2	3.0%	17.2	3.0%	0.0		
Corporation Income Tax	188.7	4.3%	188.7	4.3%	0.0		
Less: Refunds	(38.6)	4.9%	(38.6)	4.9%	0.0		
CIT Less Refunds	150.1	4.2%	150.1	4.2%	0.0		
Bank Franchise Tax	120.0	5.1%	120.0	5.1%	0.0		
Gross Receipts Tax	227.5	5.0%	230.4	5.0%	2.9		
Lottery	267.0	0.5%	267.0	-3.2%	0.0		
Abandoned Property	475.0	0.0%	475.0	0.0%	0.0		
Hospital Board and Treatment	69.8	1.5%	70.1	1.4%	0.3		
Dividends and Interest	12.0	8.1%	12.0	8.1%	0.0		
Realty Transfer Tax	33.8	5.0%	33.8	5.0%	0.0		
Estate Tax	21.2	6.0%	21.2	6.0%	0.0		
Insurance Taxes	72.4	4.9%	72.1	2.6%	(0.3)		
Public Utility Tax	61.6	3.5%	62.7	3.6%	1.1		
Cigarette Taxes	126.9	-1.0%	125.5	-0.9%	(1.4)		
Other Revenues	123	5.5%	122.9	5.5%	(0.1)		
Less: Other Refunds	(32.8)	2.5%	(32.8)	2.5%	0.0		
Net Receipts	3,747.5	3.3%	3,761.2	3.0%	13.7		

Table 3.

Balance and Appropriations Worksheet

FY 2011 EXPENDITURES		FY 2011 BALANCES		FY 2012 APPROPRIATION LIMITS	
Total Spending Authority	\$3,616.3	Total Expenditures	\$3,369.0	FY 2012 Revenue Estimate	\$3,651.7
Less: Continuing Appropriations & Encumbrances from FY 2011	(<u>\$207.3</u>)	vs. FY 2011 Revenues	3,524.7	Unencumbered Cash Balance from FY 11	<u>\$299.1</u>
Less: Reversions	<u>(\$40.0)</u>	Operating Balance	155.7	100% Appropriation Limit	\$3,950.8
Total Expenditures	<u>\$3,369.0</u>	Prior Year Cash Balance	<u>\$537.1</u>	98% Appropriation Limit	<u>\$3,871.8</u>
		Cumulative Cash Balance	692.8	Prior 98% Appropriation Limit	\$3,825.1
		Less: Continuing Appropriations & Encumbrances from FY 2011	(207.3)	Increase (Decrease) from Prior Meeting	<u>\$46.7</u>
		Less: Budgetary Reserve Account	<u>(\$186.4)</u>	Sept. 2010 98% Appropriation Limit	<u>\$3,464.7</u>
		Unencumbered Cash Balance 6/30	<u>\$299.1</u>	Increase (Decrease) from September 2010	<u>\$407.1</u>

Table 4.

Delaware Department of Transportation FY 2011 Expenditures , April 30, 2011

Delaware Department of Transportation FY 2011 Expenditures , April 30, 2011											83%		
			FY2009 Actual	FY2010 Actual	FY2011 Appropriation	SEPTEMBER FY2011 Forecast	DECEMBER FY2011 Forecast	MARCH FY2011 Forecast	APRIL FY2011 Forecast	MAY FY2011 Forecast	\$ difference Forecast V. FY2010 Actual	FY2011 YTD Spend	% spent YTD
Operations													
Debt Service	122.3	121.5	129.5	129.5	123.1	123.1	123.1	123.1	123.1	0.0	1.6	102.9	83.6%
Personnel Costs	87.2	83.4	86.3	86.3	86.3	86.3	86.3	86.3	86.3	0.0	2.9	71.3	82.6%
Operations/Capital Outlay	50.6	59.6	55.5	55.5	55.5	55.5	55.5	55.5	55.5	0.0	(4.1)	43.7	78.7%
Transit Operations (DTC)	8.7	90.0	90.4	90.4	90.4	90.4	90.4	90.4	90.4	0.0	0.4	75.5	83.5%
Total Expenditures - Operations	347.8	354.5	361.7	361.7	355.3	355.3	355.3	355.3	355.3	0.0	0.8	293.4	82.6%
Capital (State)													
Road System	127.5	124.0	142.4	142.4	130.1	126.1	110.1	110.1	110.1	0.0	(13.9)	68.1	61.9%
Grants & Allocations	23.0	13.5	40.7	40.7	40.7	29.9	19.9	19.9	19.9	0.0	6.4	12.0	60.3%
Support Systems	58.3	24.0	25.5	25.5	25.5	25.5	20.5	20.5	20.5	0.0	(3.5)	11.8	57.6%
Transit	14.7	8.8	10.3	10.3	9.9	9.9	9.9	9.9	9.9	0.0	1.1	3.8	38.4%
Total Expenditures- State Capital	223.5	170.3	218.9	218.9	206.2	191.4	160.4	160.4	160.4	0.0	(9.9)	95.7	59.7%
Capital (Federal)													
Federal Capital	201.5	239.1	329.3	329.3	283.6	265.3	217.3	217.3	217.3	0.0	(21.8)	153.5	70.6%
Capital (GARVEE)													
GARVEE - US301	0.0	0.0	71.9	71.9	43.0	12.6	12.6	12.6	12.6	0.0	12.6	10.9	86.5%
Total Expenditures - Capital	425.0	409.4	620.1	620.1	532.8	469.3	390.3	390.3	390.3	0.0	(19.1)	260.1	66.6%
TOTAL EXPENDITURES	772.8	763.9	981.8	981.8	888.1	824.6	745.6	745.6	745.6	0.0	(18.3)	553.5	74.2%

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues
FY 2011 Forecast

	<u>Jun-10</u>	<u>Sep-10</u>	<u>Dec-10</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>March to April Change</u>	<u>YTD Change</u>
	<u>FY11 Forecast</u>	<u>FY11 Forecast</u>						
TOLL ROAD REVENUES:								
I95 Newark Plaza	\$119.0	\$116.1	\$113.0	\$113.0	\$113.0	\$113.0	\$0.0	(\$6.0) -5.0%
Route 1 Toll Road	\$45.5	\$45.7	\$45.7	\$45.7	\$45.7	\$45.7	\$0.0	\$0.2 0.4%
Concessions	\$2.3	\$2.3	\$2.3	\$2.3	\$1.7	\$1.7	\$0.0	(\$0.6) -26.1%
Total Toll Road Revenues	\$166.8	\$164.1	\$161.0	\$161.0	\$160.4	\$160.4	\$0.0	(\$6.4) -3.8%
MFTA REVENUES								
	\$117.9	\$117.9	\$117.9	\$117.9	\$117.9	\$117.9	\$0.0	\$0.0 0.0%
DIVISION OF MOTOR VEHICLES								
Motor Vehicle Document Fees	\$59.8	\$60.1	\$62.2	\$65.8	\$65.8	\$65.8	\$0.0	\$6.0 10.0%
Motor Vehicle Registration Fees	\$45.5	\$45.9	\$47.0	\$47.0	\$47.0	\$47.0	\$0.0	\$1.5 3.3%
Other Transportation Revenues	\$22.6	\$23.5	\$23.5	\$23.5	\$24.4	\$24.4	\$0.0	\$1.9 8.2%
Total DMV Revenues	\$129.5	\$129.5	\$132.7	\$136.3	\$137.2	\$137.2	\$0.0	\$9.3 7.3%
OTHER TRANSPORTATION REV.								
Other Transportation Rev.	\$12.0	\$12.0	\$10.0	\$10.0	\$10.0	\$10.0	\$0.0	(\$2.0) -16.7%
Investment Income	\$5.0	\$4.0	\$3.4	\$3.4	\$3.4	\$3.4	\$0.0	(\$1.6) -32.0%
Total Other Transportation Rev.	\$17.0	\$16.0	\$13.4	\$13.4	\$13.4	\$13.4	\$0.0	(\$3.6) -21.2%
GRAND TOTAL	\$429.6	\$427.5	\$427.6	\$428.6	\$428.9	\$428.9	\$0.0	(\$0.7) -0.2%
Percent Change in Forecast	-0.5%	0.0%	0.2%	0.1%	0.1%	0.0%		
Dollar Change in Forecast	(\$2.1)	\$0.1	\$1.0	\$0.1	\$0.1	\$0.0		

DELAWARE TRANSPORTATION AUTHORITY - REVENUE SHIFT TO THE TTF						
	1987	1988	1989	1990	1991	1992
Toll Revenue	23.2	24.3	27.1	29.7	30.4	30.9
Service area rental	1.3	1.3	1.5	1.6	1.5	1.6
Misc Income	0.1	0.4	0.2	0.3	0.2	0.5
Income from Investments	7.5	10.2	13.9	12.5	12.4	10.9
MFT Receipts	45.8	59.4	62.8	63.6	66.2	72.9
Motor Carrier Receipts	4.0	4.1	4.8	5.0	5.0	5.2
MFT/MC Trans to GF	-34.6	-23.4	0.0	0.0	0.0	0.0
Revenue Additions-						
Motor Carrier Registration					3.1	3.6
Motor Vehicle Document Fee			22.3	22.6	19.7	19.5
Motor Vehicle Registration Fee				14.9	17.1	18.4
Other Transportation Revenue					6.7	10.9
TOTAL REVENUE	47.4	76.2	132.8	150.1	162.3	174.4
Transfers from State General Fund		27.8				15.0
TOTAL FUNDS	47.4	104.1	132.8	187.6	162.3	189.4
DELAWARE TRANSPORTATION AUTHORITY - OPERATING SHIFT TO THE TTF						
Operating Expenses	5.7	5.9	6.4	6.8	7.1	7.4
Debt-Service	20.4	20.8	7.7	22.8	27.1	48.1
NEW Operations			38.1	38.2	37.8	37.5
DTC Subsidy	6.1	7.4	8.5	11.0	14.9	14.6
	32.2	34.1	60.6	78.8	86.8	107.6
Expenditures as a % of revenues	68%	33%	46%	42%	53%	57%

Transportation Trust Fund Revenues and Expenditures (\$ in 000s)

Transportation Trust Fund Revenues and Expenditures
(\$ in 000s)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES						
I-95 Tolls & Concessions	116,100	117,500	118,800	120,200	121,600	122,900
Motor Fuel Tax Admin.	120,300	122,700	125,200	127,700	130,300	132,900
DMV Fees	141,300	145,600	149,900	154,400	159,100	163,800
Interest Income	4,000	6,000	7,000	8,000	8,000	8,000
Total Pledged Revenue	381,700	391,800	400,900	410,300	419,000	427,600
	2.3%	2.6%	2.3%	2.3%	2.1%	2.1%
SR 1 Tolls						
Escheat	* 0	24,000	24,000	24,000	24,000	24,000
General Fund	0	0	0	0	0	0
Port of Wilmington - Refinancing	1,628	1,628	1,628	1,628	1,628	1,628
Build America Bond Subsidy Payment	1,377	1,298	1,298	1,298	1,298	1,298
Other Transportation Revenue	12,100	12,200	12,300	12,400	12,500	12,600
Total Non-Pledged Revenue	61,105	85,726	86,426	87,126	87,926	88,826
Total Sources of Funds	442,805	477,526	487,326	497,426	506,926	516,426
	-0.4%	7.8%	2.1%	2.1%	1.9%	1.9%
EXPENDITURES						
Total Debt Service	134,647	139,954	144,282	148,257	150,961	155,461
	8.7%	3.9%	3.1%	2.8%	1.8%	3.0%
Department Operations	141,385	145,627	149,995	154,495	159,130	163,904
	-0.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Delaware Transit Corp. Operations	73,526	76,989	81,402	86,047	90,936	96,080
	0.0%	4.7%	5.7%	5.7%	5.7%	5.7%
Total Expenditures	349,558	362,569	375,679	388,799	401,027	415,446
	3.1%	3.7%	3.6%	3.5%	3.1%	3.6%
Expenditures as a % of revenues	79%	76%	77%	78%	79%	80%
State Funds available for Capital	93,247	114,957	111,647	108,627	105,899	100,980

* 2012 Escheat/General Fund Support Contribution pending Legislation, current recommendation \$40M